

February 2, 2005

Ex Parte: In the Matter of Developing a Unified Inter-carrier Compensation Regime,  
CC Docket No. 01-92

The Commission should not take a "piecemeal" approach to inter-carrier compensation.

Short-term interim solutions should rely upon refinements of existing mechanisms. It does not make sense to adopt new approaches that will require new rules in advance of deciding the larger inter-carrier compensation (ICC) questions in a comprehensive proceeding. New templates should be addressed in a FNPRM and considered in the context of all inter-carrier compensation issues.

Specific Concerns

1. Adoption of certain actions recommended by the Wireline Competition Bureau in advance of gathering a full record through a FNPRM in the Inter-carrier Compensation proceeding is premature and could cause harm to overall ICC policy. Interim rules under consideration will result in fundamental changes in long standing obligations.
2. The creation of a single "point of interconnection" (POI) per Local Access Transport Area (LATA) will predetermine fundamental elements of ICC reform. The wrong decision on this issue will have destructive implications for the provision of universal service.
3. The FCC should not make significant changes in interconnection policy without a notice of proposed rulemaking and the concomitant due process. Changes adopted through piecemeal decisions on petitions lead to confused, inconsistent policy and deny due process rights.
4. An order at this date would violate the Regulatory Flexibility Act (RFA). Given that any changes to the inter-carrier compensation rules will have a significant economic impact on a substantial number of small businesses, the RFA requires that the Commission perform an Initial Regulatory Flexibility Analysis (IRFA) and a Final Regulatory Flexibility analysis (FRFA). By law, the IRFA should provide enough information and analytical detail so that the regulated small entities and other interested parties could understand the agency's regulatory proposal and its economic impact and respond to it. The 2001 NPRM did not. The specific proposed rules the FCC is rumored to be considering will have a different impact on the small rural telephone companies than on large regional bell holding companies. However, the FCC has not sought public comment on the impact of these rules on small entities. The small entities must also be specifically considered when final rules are adopted. The FRFA must explain the alternative rules the FCC considered that would minimize the adverse economic impact on small businesses. The proposed piecemeal approach to inter-carrier compensation does not comply with the law.